

Analysis of competition for funding of non-profit organizations in Finland: Case company Irti Huumeista Ry

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<p>This thesis studies competition for funding in the non-profit sector in Finland, with a specific focus on the competitive position of case company Irti Huumeista Ry. The competitive environment of the non-profit sector in Finland is analysed, available sources of funding are determined, the competitive position of the case company and its direct competitors are researched, and conclusions are drawn as to how Irti Huumeista Ry can secure their competitive position and funding in the future.</p> <p>The thesis topic is relevant and current, because new amendments have been proposed to the Finnish Money Collection Act 255/2006, which are assumed to increase the amount of non-profit organizations in Finland, therefore increasing competition for funding. The thesis strives to provide a valid conclusion and suggestions to the case company on how they can sustain or improve their competitive position, and secure funding for the future.</p> <p>The thesis is furthermore important to the academic field of finance, because it highlights the effects of government regulation on funding, which is an international issue. Also, the proposed amendments to Money Collection Act 255/2006 put an emphasis on internal control and auditing of finances in non-profit organizations, which is often a heatedly discussed topic in the international community.</p> <p>The theoretical framework for the thesis is provided by Michael Porter's theory on the five forces of competitive advantage. The theory is suitable for the research, however it has been adapted to the non-profit industry, whereas normally the theory is applied to traditional for-profit industries.</p> <p>The research methods used include desktop research, interview, and questionnaire. The non-profit sector in Finland and sources of funding are researched using appropriate secondary sources, and the competitive position of Irti Huumeista Ry and their direct competitors are studied using a questionnaire and by interview.</p> <p>The results show that the case company has a stable competitive position, due to specialized services, good reputation, and low existing rivalry between competitors in the industry. Furthermore, the case company currently has very concentrated revenue streams and no marketing actions. In order to secure their stable competitive position, and to secure and increase their yearly funding, Irti Huumeista Ry should diversify their revenue streams by implementing a marketing plan, using multi-year contracts with donators, as well as maintaining their specialized staff and services.</p>	
Keywords Finnish Money Collection Act 255/2006, competition, non-profit funding, securing funding	

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1 Introduction

The purpose of this thesis is to study the competitive environment of non-profit organizations in Finland, with a focus on competition for receiving funding. The thesis topic has been commissioned by the case company Irti Huumeista Ry, and the result of the thesis will give the case company a better understanding of their competitive position, and what could be improved in order to secure future funding.

The theoretical framework consists of Michael Porter's five forces theory, and the theory has been adapted in an appropriate way to suit the non-profit sector. Research methods include desktop research, interview, and questionnaire, used to determine the competitive environment of the non-profit sector in Finland.

1.1 Background

The research topic was commissioned by the case company Irti Huumeista Ry, in response to the proposed amendments to Money Collection Act 255/2006. In general, the amendments will allow a greater number of people, groups, and organizations to apply for funding and donations. With an increased number of organizations, competition is assumed to increase. The financial department of Irti Huumeista Ry wanted to know how the changes to the Act would affect the non-profit sector and their funding. Therefore the topic of analysing the competitive environment of the non-profit sector was together decided upon with the student and the case company.

The topic is worth studying, because it gives new light to the funding of non-profit organizations in Finland, as well as the effect of legal regulation and bureaucracy in Finland on organizations looking for funding. The case company Irti Huumeista Ry receives barely enough funding annually to stay afloat, and if the number of organizations searching for funding increases, it is assumed to have an effect on competition in this area. Therefore, this research allows the case company to accurately prepare for future changes and to secure future funding.

1.1.1 Finnish Money Collection Act 255/2006

The Money Collection Act (255/2006) of the Finnish law, aims to allow organized money collections in order to fund non-profit activities, with the intent to prevent dishonest and immoral activity in the context of money collection. Money collection is defined within the act as "an activity in which money is collected without compensation by appealing to the public" (Money Collection Act 255/2006.)

Currently, money collection may be organized in order to raise funds for non-profit activities, aiding and helping private citizens or families in financial need, or to raise funds for the activities of a day-care centre, school, or an established hobby or study group. (Money Collection Act 255/2006). The Money Collection Act 255/2006 was partly amended on September 1st 2014, further allowing the Evangelic-Lutheran and Orthodox Church and universities to collect money. (Ministry of the Interior 2014a.)

Money collection is prohibited by the Act for the purpose of money collection in cooperation with a lottery, using a chain letter or similar method, in the form of a pyramid scheme, or to organize money collection with obvious risk involved in trading or acquiring members for an association. (Money Collection Act 255/2006.)

In order to organize money collection in Finland, the organization must apply for a permit, which is provided by the State Local District or the State Provincial Office of Southern Finland. The permit must be applied for in writing, including a detailed collection and allocation plan, the methods of collection and potential collection emblem, costs arising from the various methods of collection, and an estimate of funds to be raised by the collection. (Money Collection Act 255/2006.)

The current permit method is seen by many as outdated and bureaucratic. The process can often take up to a year, and the costs for the permit application can be up to 300 euros. (Ministry of the Interior 2014b.)

1.1.2 Proposed amendments to Money Collection Act 255/2006

The sitting parliament is striving to improve the current Money Collection Act with amendments concerning the permit requirement, as well as further allowing other types of organizations to part-take in money collection.

The proposed amendments include switching from the preliminary permit system to a system of informing the correct authorities afterwards, similar to a taxation form. This allows the organization itself to be responsible for the auditing and reporting of their money collection. The legislation proposes that a new public register will be established to control this, which would also be responsible for eliminating any organizations which are collecting money dishonestly. Lastly, the proposed amendments would make it possible for other parties other than the previously stated organizations and charities to organize money collection. (Ministry of the Interior 2014a.)

The proposed amendments have been responded to with mixed feelings. Some feel that the current system is slow, difficult, and expensive especially for small organizations. They feel that it would be much easier and more beneficial to the organizations to be responsible for reporting their money collection to authorities, instead of using the current permit application system. On the other hand, some feel that this may decrease the integrity of the third sector, by allowing anybody to collect money for any purpose, without the public being aware of the true destinations of the donations. (Ministry of the Interior 2014b.)

Some also criticized the possible effect on taxation, whereas currently non-profit organizations and charities are not obligated to pay taxes. If all types of organizations are allowed to collect donations, some may do this strictly to avoid paying corporate tax, which is a concern to many. Taxation amendments were not included in the proposal. (Ministry of the Interior 2014b.)

An increasing amount of organizations competing for donations require the existing organizations to secure their future funding, in order to prevent new organizations from taking it. The parliament decided on January 15th, 2015, that the finalization and implementation of the law will be delayed until the next parliament term.

1.2 Case company introduction

Irti Huumeista Ry (Free From Drugs) is a non-profit organization, with the aim of providing support and information for people with drug and substance abuse problems. The support is not only provided for the substance abusers themselves, but also through counselling and information services for individuals and families who have a loved ones dealing with substance abuse (Musakka, H. 10 Dec 2014.)

Irti Huumeista Ry was established in 1984, and is currently the oldest non-profit organization working for substance abusers in Finland. The services provided include counselling for families and individuals, information services, and overall support. They also strive to provide information on the impact of drugs on families to society, as well as preventing and reducing drug related harm by providing updated information (Musakka, H. 10 Dec 2014.)

Furthermore, Irti Huumeista Ry tries to educate society on drug related issues, by supporting a restrictive drug policy, as well as participating in drug related conversation in social and traditional media. The organization is highly dependable on voluntary work. It has

around 200 volunteers, and 14 employed professional staff. The organization operates in 18 branches around Finland (Musakka, H. 10 Dec 2014.)

1.3 Demarcation

The research is limited to one case company, Irti Huumeista Ry, however a questionnaire and desktop research have been used to obtain information from other non-profits as well. The focus is also restricted to the changes to the Finnish Money Collection Act 255/2006, excluding all other amendments taking place currently. The research focuses on the competitive environment of non-profits in Finland, with a specific focus on direct competitors of Irti Huumeista Ry, and disregarding indirect competitors. The results of the research are used to determine the competitive position of the case company, and no other non-profit organization. The theoretical framework is limited to Michael Porter's research on competition, however other research has been taken into account to adapt Porter's research into the non-profit sector.

1.4 International Aspect

The thesis provides important insight into the effect of government regulation and policy on obtaining funding for non-profits, which can be adapted to any international non-profit organization. Non-profit funding is an international issue, and the competitive environment of the third sector is changing globally due to an increased focus on sales of memberships and products, which is a results of a lack of funding. Furthermore, the intended changes to the Money Collection Act put an emphasis on internal audit and controlling of finances in non-profits, which is an international issue in both non-profit and for-profit business.

1.5 Anticipated benefits

The case company benefits from the study immensely, because it will have a better understanding of what the future competitive environment may be, and will be more aware of its competitive position and how to maintain it. With this information, it will be better prepared for changes to the Money Collection Act.

The field of accounting and finance benefit from the thesis, because it shows how governmental regulation can effect both the resources and funding of non-profits, but also the importance of internal auditing and controlling. The thesis also provides valuable information to non-profits operating in Finland. The proposed new law highlights the importance of internal auditing and transparency in NGO's. Furthermore, the discussion of unnecessary bureaucracy in Finland is currently heated, and the research topic highlights

how bureaucracy and legal regulation can both limit and nourish business, which adds further value to the topic.

Personally, this topic will benefit my academic growth, and supports my personal interest in non-profit organisations globally and in Finland. Perhaps the thesis topic can provide a framework for future studies or research.

1.6 Key concepts

Non-profit Organization – A non-profit organisation is defined as “a group organized for purposes other than generating profit” (Cornell University Law School), and can take the form of a corporation, individual enterprise, unincorporated association, partnership, foundation, or condominium. These types of organizations include churches, public schools, public charities, public clinics and hospitals, political organisations, legal aid societies, volunteer service organisations, labour union, professional associations, research institutes, museums, and on occasion governmental agencies. (Cornell University Law School.) When created, the organization must be designated as a non-profit, and may “only pursue purposes permitted by statutes for non-profit organisations.”(Cornell University Law School.)

Funding – “Money provided, especially by an organization or government, for a particular purpose”(Oxford Dictionary 2015.)

Finnish Money Collection Act 255/2006– The Finnish Money Collection Act 255/2006 is in the Finnish law, and its objectives are to “make it possible to organize money collection in order to fund non-profit activities, and to prevent dishonest activity in connect with money collection”.

Competition – Competition, as defined by Michael Porter (1985), is the “core of the success or failure of firms”, and “determines the appropriateness of a firms activities that can contribute to its performance.”(Porter 1985, 1.)

1.7 Risks & Risk Management

The main risk in the research is that the proposed amendments to Money Collection Act 255/2006 are not implemented by the next sitting parliament. However, if the amendments fail to be passed the research is still beneficial to the case company because it will have a better understanding of its competitive position.

Another possible risk is obtaining adequate amounts of information, for example through questionnaire and risk of low response rate. This risk has been avoided by carefully tracking the response rate during the research phase, and by broadening the target demographic in order to reach a higher amount of respondents.

One further risk is that the assumption of the amendments to Money Collection Act 255/2006 increasing the amount of non-profits does not hold true. However, as mentioned before the competitive analysis will still give the case company valuable information.

2 Theoretical framework

Referring to the proposed amendments to Money Collection Act 255/2006, it can be assumed that the amount of organizations vying for donations and collecting money from the public will increase. Therefore, the main theory used for this thesis is competition theory by Michael Porter, specifically focusing on the increase in competition due to the threat of new entrants.

According to Michael Porter (1985, 4), an industry's attractiveness is determined by its embodiment of the five competitive forces: the entry of new competitors, the threat of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and the rivalry among the existing competitors. These vary from industry to industry, and as an industry evolves, the state of the five competitive forces change as well. These five forces influence the profitability of the industry, due to the fact that they determine prices, costs, and required investments of firms. The five forces underline the industry structure, and shape competitive strategy of companies. (Porter 1985, 4-5.)

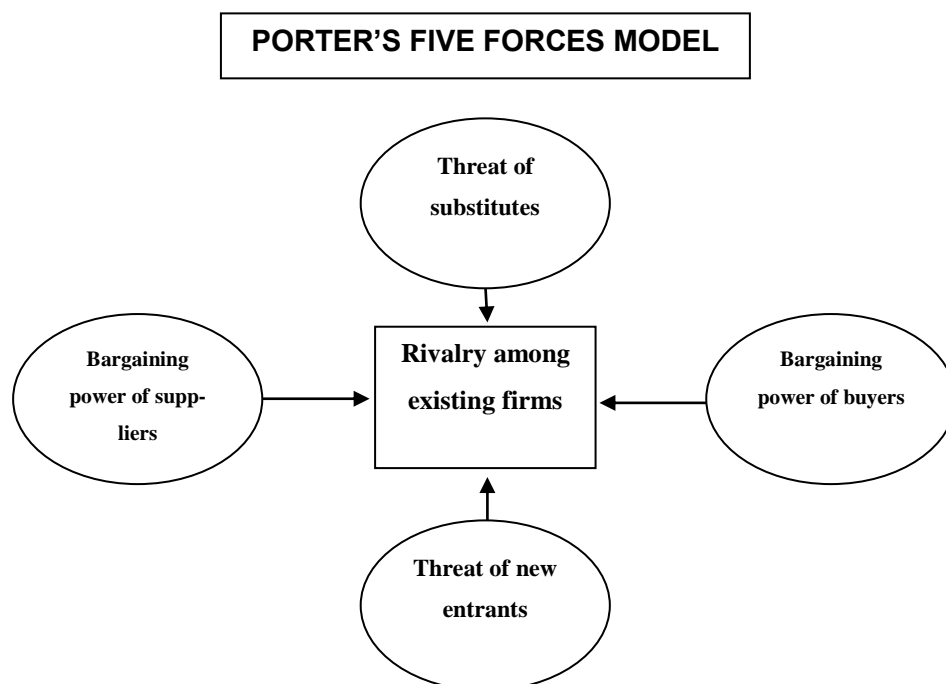


Figure 1. Michael Porter's Five Forces model (Porter 1998, 22.)

Companies create a strategy that is specific to their company, but also one which can cope with changes in the five forces of competition. The goal of the strategy is to find a position where the company can best defend and cope with the forces, or in some cases influence them to their own advantage. The strengths and weaknesses of the company

must be clearly identified in order to cope well with the forces, as well as identify where strategic changes may be most beneficial, and highlight places where industry trends hold opportunity or threat. (Porter 1998, 21-23)

Because non-profit organizations often have a very different revenue structure and strategy compared to traditional businesses, parts of Michael Porter's theory must be adapted to suit the non-profit industry.

2.1 Entry of new competitors

According to Michael Porter, the seriousness of the threat of entry of new competitors depends on the barriers present and the reaction of existing competitors to new entrants. If the barriers of entry are high, new potential competitors entering the market should expect immediate and intense reactions from existing market competitors. If the barriers of entry are low, the market is most likely already very diverse causing less reaction to new competitors entering. (Porter 1998, 24.)

The six sources of barriers to entering a new market are economies of scale, product differentiation, capital requirements, cost disadvantages independent of size, access to distribution channels, and government policy. (Porter 1998, 24-25.) Considering the proposed amendments to Money Collection Act 255/2006, the barrier of entry is lowered due to changes in government policy, therefore changing the competitive environment.

New competitors will consider the reaction of existing players in the industry before entering. Previous history of the reaction to new competitors will be looked at, and if existing market players have the resources such as cash and unused bargaining power to fight back, the new competitor is likely to reconsider entering. Also, if industry growth has been slow, the industry is less likely to absorb a new addition, due to poor financial performance of all the parties. (Porter 1998, 26.)

2.2 Threat of substitutes

Substitute products or services in an industry can limit the potential for growth. In traditional industry, an increase of substitute products forces the existing market players to either upgrade the quality of their product, or then to differentiate it in order to continue to grow. Substitutes limit profits due to the inability of producers to raise prices. Substitute products which affect the market area most, are those which represent trends in the industry leading to a price-performance trade-off, or then products which are produced by industries which are earning high profits. (Porter 1998, 32)

In the non-profit sector, substitutes can be considered organizations which offer similar services. To an extent, non-profit organizations can compete with membership fee prices and selling of merchandise and products, however due to the philanthropic nature of the industry, this is not a common trend. Non-profit organizations can prevent the onset of substitute organizations taking their donations mainly by differentiating their services.

2.3 Bargaining power of buyers

Depending on the industry, a buyer is considered powerful if it is very concentrated, and purchases in large volumes. Also, if the buyer's purchases are standard and can be found from many different suppliers, the buyer is not subjected to one particular supplier. Furthermore, buyers who make small profit are more price sensitive and are more likely to look for alternative and cheaper suppliers. (Porter 1998, 30.)

These sources of buyer power can be adapted to consumer groups as well as industrial and commercial buyers. In a consumer group, buyers tend to be more price sensitive to purchasing undifferentiated products, expensive products, and when the quality of the products is not of particular importance. Retailers have the same tendencies, with the exception of having influence over consumer behaviour, therefore increasing their power over manufacturers. (Porter 1998, 30-3.)

In the non-profit sector, buyers are considered to be the organizations themselves, and suppliers are the sources of funding. This puts the framework of competition in a different perspective, because essentially non-profit organizations are all looking for money or volunteers, which are two things that cannot necessarily be differentiated or improved.

Non-profit organizations must recognize that there are only a limited amount of donations and funding available. Non-profits are heavily reliant on contacting funders and securing supplier relationships in order to receive an adequate amount of funding. Currently, there is very little information about how to efficiently secure these relationships, how much overhead costs are a result, whether or not the original mission of the non-profit is secured, and what kind of practices non-profits are forced to adopt due to these factors. (Gronbjerg 1993, 7.)

2.4 Bargaining power of suppliers

Suppliers in an industry have power when they are able to raise prices and determine quality of the products and goods sold. Suppliers exert their power in order to increase

their own profits, and are often very powerful in industries which are very concentrated. Furthermore, if a supplier is supplying a product that is very unique and differentiated, the supplier has power. If a supplier has a unique and differentiated product, it is not subject to competition of suppliers providing something similar. Supplier power is also evident, when the supplier is providing products to another industry that is not their main customer. In this case, the supplier is not reliant on buyers in one industry, and can therefore exert supplier power. (Porter 1998, 29.)

In order to adapt Michael Porter's theory to the non-profit sector, we must assume that the sources from which non-profit organizations receive their funding are considered the suppliers of the industry. Non-profit organizations receive funding from private individuals and corporations, public funding from local and state agencies, as well as through selling memberships and merchandise. (Gronbjerg 1993, 22.)

2.5 Rivalry among existing competitors

Intense rivalry in an industry is dependent on many things. Rivalry among existing competitors cause the competitors to use tactics such as price competition, new product introduction, and intense marketing to maintain or strengthen their position in the market. If there are many competitors that are equal in size and power, this can also increase rivalry. (Porter 1998, 33-34.)

Industry growth also affects rivalry. If growth is slow, rivalry will intensify in order to maintain market share in a slowing industry. Furthermore, if the product or service provided lacks differentiation, rivalry is high due to lack of competitive advantage. If fixed costs are high in the industry, this also increases rivalry among existing competitors, because price cuts are a tempting option. Finally, if exit barriers are high in an industry, rivalry intensifies. Exit barriers include highly specialized assets or managements loyalty to a particular supplier, causing companies to continue operating in the industry even if return on investment is low. Although many of these factors have to be dealt with due to the nature of the industry, companies can improve the situation by adapting their strategy. (Porter 1998, 33-34.)

3 Research Design & Methods

The research approach used for this thesis is qualitative, utilizing methods such as desktop research, interview, and questionnaire. The risks and limitations of the methods have been evaluated, and the reliability and validity of the research has been analysed. The research objective and investigative questions for the research are as follows:

An analysis of competition for funding of non-profit organizations in Finland: Case company Irti Huumeista Ry

IQ1: Analysing the non-profit sector in Finland

IQ2: Determining possible sources of funding for non-profits in Finland

IQ3: Determining the competitive position of Irti Huumeista Ry

IQ4: Determining competitive position of direct competitors

IQ5: Suggestions for securing competitive position and funding for case company

3.1 Methods

Investigative questions 1 and 2 are studied through desktop research, using appropriate secondary sources. Investigative question 3 is studied using both interview and a questionnaire answered by the case company. Investigative question 4 is studied through questionnaire, as well as by using desktop resources for theoretical support. Investigative question 5 is answered from the conclusions made from the previous investigative questions.

3.1.1 Desktop research using secondary sources

Secondary literature includes books, journals, articles, and reports, which are based on primary literature. Secondary literature is generally aimed at a wider audience, and are easier to locate than primary literature. (Saunders, Lewis, & Thornhill 2012, 83-84.)

In this thesis, the main types of secondary literature that are used for desktop study are books, academic articles, and reports. Valuable internet sources were also used for background study. Secondary sources are used in this research in order to provide the theoretical framework, as well as providing information on the non-profit sector in Finland. Proper literature has been reviewed and critically chosen, in order to provide accurate and current information.

3.1.2 Interview

Interview as a method of research is defined as “a purposeful conversation between two or more people, requiring the interviewer to establish rapport, to ask concise and unambiguous questions, to which the interview is willing to respond, and to listen attentively.” (Saunders, Lewis, & Thornhill 2012, 372.) Interviews can be structured, semi-structured, or unstructured. (Saunders, Lewis, & Thornhill 2012, 374-375.)

In this thesis, interview has been used to study the background of the case company as well as to acquire information and make conclusions about their competitive position. An interview was done with the financial controller of Irti Huumeista Ry, Henrik Musakka, and the interview was unstructured. Both the student and the case company have also communicated through email in order to acquire more information after the face-to-face interview. Communication has been open and sincere on both ends.

3.1.3 Questionnaire

Questionnaires as a research method are defined as “a general term to include all methods of data collection in which each person is asked to respond to the same set of questions in a predetermined order.” (Saunders, Lewis, & Thornhill 2012, 416.) Questionnaires are efficient for collecting data from a predetermined sample, and should be carefully designed in order to get the most accurate information. (Saunders, Lewis, & Thornhill 2012, 417-419.)

In this thesis, a questionnaire is used to study competitive advantages and positions of other non-profits, as well as the case company itself. A questionnaire was decided as the proper research method, because it was the most appropriate method to acquire the same information from many different people.

The questionnaire was designed carefully, and included both open ended questions, as well as multiple choice answers. The questionnaire was constructed with standardized questions which can be easily interpreted, and the questionnaire was internet-mediated. It was sent to 25 non-profit organizations in Finland who are direct competitors to the case company, as well as the case company. The questionnaire was answered by the chief finance officer or accountants of the organizations, in order to ensure the most accurate information is provided concerning funding. The same questionnaire was sent to both the case company and the target demographic.

It was made known to the respondents that the thesis will be published and available for reading, in order to increase openness and truthful answers from the respondents.

3.2 Risks and limitations

Risks in desktop research using secondary sources include a poorly done critical review of the literature. Sources used are not as valuable if they are outdated, no longer factual, or do not provide valuable information to the topic. This increases the risk of invaluable information for the thesis. (Saunders, Lewis, & Thornhill 2012, 82-82.) A critical literature review has been done for the secondary sources used in this thesis in order to avoid this risk.

Risks in interview research include risk of interviewer and interviewee bias. In face-to-face interview, comments, tone, or non-verbal behaviour can create a bias between the interviewer and interviewee. These actions can discredit the value of the information given, or perhaps limit the information that either interviewer or interviewee is willing to give, therefore affecting the validity and reliability of the interview. (Saunders, Lewis, & Thornhill 2012, 82-82.)

This risk has been avoided, because the information obtained through interview was mostly for background of the company and determining the research topic, therefore the information obtained does not have a significant impact on the results of the thesis. Furthermore, the thesis is written for the benefit of the case company, which increased the motivation of the interviewee to be honest and truthful with their answers.

Risks in using questionnaires as a research method include a poor response rate, as well as risk in validity and reliability of the information obtained. The questionnaire was internet-mediated, and therefore the questionnaire settings assured that the questionnaire could only be answered once by each respondent, eliminating the risk of false conclusions. The questionnaire was sent to the case company first and the results were evaluated, after which the questionnaire was reset in order to differentiate the results of the case company compared to those of the other non-profit organizations. This ensured the anonymity of the respondents, as well as the validity of the results.

The questionnaire was sent firstly to 20 similar non-profit organizations, of which the response rate was less than 50 %. In order to increase the response rate, the questionnaire was then sent to 5 more organizations, which all responded, making the total number of respondents 15, and total response rate 60%. Because the amount of same-sized social

service non-profits similar to the case company is quite small in Finland, the response rate to the questionnaire is adequate, and the information provided is enough to make educated conclusions and suggestions.

3.3 Reliability and validity

Reliability and validity has been ensured through careful research planning and methodology, and careful data collection procedures. All secondary and primary sources have been referenced correctly, and all data is presented and interpreted with academic integrity. Research methodology is clearly explained, and all possible appendices, tables, and figures have been attached, in order to allow repetition of the study.

The questionnaire used was tested before being sent to the respondents, to ensure the best possible result. The data has been analysed using Excel and statistical graphs presented accurately. The risks stated above have been avoided to the best of the researcher's ability, however healthy criticism has been applied to the analysis of the results.

The information available concerning the non-profit sector in Finland as well as non-profit funding in general was found to be quite limited. The secondary sources used were the critically analysed, however it is worth mentioning that more updated sources would have given the results of the research more value.

Furthermore, the conclusions made from the questionnaire results must also be critically analysed. Although the response rate was adequate, the total amount of potential respondents was limited, due to a lack of contact information available. Therefore, the results cannot necessarily be applied to all areas of the non-profit sector, since the respondents only represent a small portion of the non-profit industry in Finland.

4 Results

The results of the research have been categorized as follows: the non-profit sector in Finland, non-profit funding, and competitive position of the case company in relation to other non-profit organizations in Finland based on the results of the questionnaire. The results of the research are explained, and conclusions from these results are discussed.

4.1 Non-profit Sector in Finland

Due to the nature of Finland as a welfare state, the public sector is the principle producer of services, however non-profit organizations have successfully become a part of the "welfare mix". This allows the public and non-profit sectors to work together through interchangeable networks. The development of the non-profit sector increased significantly in Finland during the 1990's due to the severe recession and the problems that followed. Furthermore, following the trend of the rest of the European Union, the amount of non-profit organizations in Finland have increased. Due to EU support, conditions for non-profit organisations have greatly improved. (Helander & Sundback 1998, 2-24.)

4.1.1 Types of organizations

The non-profit sector in Finland can be divided into different types of organizations and services: associations, federations, religious organizations, trade unions, political parties, cooperatives, foundations, and spontaneous alliances between citizens. (European Commission, 10-11.)

According to the Study on Volunteering in the European Union Country Report Finland (2007), there is a high density of voluntary and non-profit organizations relative to the size of Finland. In 2007, there were 127000 registered associations, and 30000 unregistered organizations and citizen groups. (European Commission, 8.)

Out of the Finnish population, about 50 % actively participate in voluntary work, which is above the EU average of 34%, according to a Eurobarometer survey. The level of volunteering has remained fairly stable in the last decade, however the number of voluntary organizations has been increasing, such as in other developed countries. (European Commission, 3-4.)

The areas in which volunteering in the non-profit sector is most active in Finland are sports, social and health organizations, services for children and young people, religious

activities, and community activities. Employed people are the most engaged in non-profit activity, however students, pensioners, and homemakers are also active. (European Commission, 5-6.)

4.1.2 Funding and Support in Finland

The third sector, or non-profit sector in Finland is regulated by many government bodies, who regulate the earlier mentioned permit system, as well as provide funding. These include the Ministry of Education, Ministry of Justice, Ministry of Foreign Affairs, Ministry of the Interior, Ministry of Social Affairs and Health, Ministry of Agriculture and Forestry, Ministry of Finance, as well as the Ministry of Economy and Employment. Municipalities also play a role in supporting non-profits, by providing facilities, supporting development and training to the people involved in non-profits, as well as providing grants. Finnish non-profits also receive funding from the European Union. (European Commission, 12-21.)

The government support the non-profit sector most significantly by allowing it to remain tax exempt. Non-profit organizations in Finland do not need to pay taxes on income that is received through fundraising, donations, or membership fees. This requires that the income is not used for personal benefit, but for the common good of the organization and its activities. In Finland, there is no national budget which is specifically allocated to the non-profit sector, however the public sector supports activities and enables national federations and umbrella organizations. The turnover in 2007 of the voluntary sector was approximately 5 billion euros, and around 32 % of that was from public sources. Social and health organizations receive the largest amount of funding from public sources. (European Commission, 12-21.)

Furthermore, the gaming industry is deeply involved in the non-profit sector, with three gaming organizations: RAY (Finland Slot Machine Association), Veikkaus (the Finnish lottery), and Fintoto, which raises funds through gaming operations. The gaming organizations are the most important factor in Finnish non-profit funding. The gaming industry has a very monopolistic structure, however it is likely that the non-profit sector would suffer greatly if the industry were more open to competition. This would cause the level of funding to decrease, and weaken the infrastructure of the non-profit sector. (European Commission, 12-21.)

The structure of funding varies by sector. For example, social and health organizations are greatly supported by membership fees, while sport organizations are provided more funding through private sponsorship. Compared to other EU countries, Finnish non-profits

depend more on self-financing, and the amount of state support is low. (European Commission, 21.)

4.2 Non-profit funding

Such as for-profit organizations, non-profit organizations are vulnerable to external market forces that shape organizational actions. However, decision making in non-profit organizations is further restricted due to resource constraints, as well as their role in the political economy and cooperation with the public sector. Non-profit funding can be influenced by external factors, such as the state of the economy, the structure of the countries public sector, taxation, as well as economic trends. Therefore, understanding non-profit funding can be very complex. (Gronbjerg 1993, 11-12.)

For non-profit organizations, it is important to recognize that only a limited amount of donations or public funding is available. Non-profits must be able to contact funders to convince them to support the non-profit in question, instead of turning to the competitor, much like in the for-profit market economy. Currently, there is very little information about how to efficiently secure these relationships, how much overhead costs are a result, whether or not the original mission of the non-profit is secured, and what kind of practices non-profits are forced to adopt due to these factors. (Gronbjerg 1993, 7.)

Although public funding and donations are limited, non-profits have access to other revenue sources, such as corporate support, direct individual giving, church donations, federated funding, and earned income such as membership fees, service charges, and product sales. The problem with this vast array of sources of funding is that there is very little control with the non-profits on how much and when the funds are available. In order to attempt to secure these funds, non-profits take actions such as writing grant proposals, entering contractual relationships, organizing events, soliciting donations, increasing marketing to fee-paying clients, maintaining membership lists and collecting dues. This creates a relationship between the organization and funders in which the organization is obligated to perform specific actions and support a specific cause. (Gronbjerg 1993, 22.)

The relationship that is created between the source of funds and the non-profit and differ in nature, such as the degree of competition involved, predictability and controllability of funding, and the dependency on one another. These different types of relationship factors affect the decisions made in the organization in order to secure future funding. (Gronbjerg 1993, 24.)

4.2.1 Private funding

Private funding for non-profits include donations from private individuals, corporations, and other philanthropic foundations. Private donations are important for non-profits, because they provide both income for the non-profit, as well as intangible support for the goals and cause of the organization. The funds provided can be used in any way which the organization wishes, with no strings attached. (Froelich 1999, 250.)

Private contributions are considered unpredictable and unstable, and can fluctuate up to 50% annually. This causes difficulties for management, due to the minimum control over the amount of funds raised. Furthermore, fundraising activities require staff and volunteer effort, which increases complexity for management without decreasing the risk of major fluctuations in funds recieved. (Froelich 1999, 250.)

4.2.2 Government funding

Government funding for non-profits can come from either the federal government or at a local level. It often comes in the form of cash grants and contracts, and are often considered important forms of funding for non-profits due to their accessibility. According to research, revenues from government support are more stable and predictable compared to private contributions. This has been particularly evident in social service non-profits, which is also the sector that Irti Huumeista Ry operates in. Government funding is said to be predictable and continued, and grants are often preapproved or do not require any formal proposals. (Froelich 1999, 254.)

4.2.3 Commercial revenue

Commercial revenue for non-profits is becoming an increasingly important form of revenues, and is the most rapidly growing source of revenue for non-profits. Commercial revenue for non-profits can be acquired through membership fees and sales of goods. However, commercial revenue is seen as controversial for non-profits. It is feared that commercialism will jeopardize the legitimacy of the third sector. Aspiring for commercial revenue puts non-profits in a position in which non-profits may become so much like traditional for-profit businesses, that the missions and goals of the organisations will be lost in the pursuit of profitability. Commercial revenue is vulnerable to traditional market forces in terms of volatility and predictability. (Froelich 1999, 257-258.)

4.2.4 Resource dependency and revenue diversification

An organizations dependability on sources of funding depends on the funding structure of that organization. As mentioned, funding sources differ in the predictability of their donations, and therefore cause organization decision making to be uncertain. They also differ in the range of tasks and effort required in order to receive the funding, as well as sensitivity to market forces. (Gronbjerg 1993, 32.)

Organizations in general strive to reduce their dependency on specific funding sources by differentiating their revenue streams, and with this strategy hope to increase predictability and continuity of funding whilst reducing risk. This type of strategy is however also dependent on the environment where the organization operates, and its established funding relationships. The implementation of this strategy also differs between types of non-profits. Social service agencies tend to receive more predictable and stable funding, in contrast to other types of organizations. (Gronbjerg 1993, 32.)

4.3 Competitive position of Irti Huumeista Ry in relation to direct competition

In the case of Irti Huumeista Ry, the services provided have most likely been determined at the time of founding of the organization, and is therefore more inclined to rely on funding that does not require any major changes to the basic functions and goals of the organization. Due to this inflexibility, such organizations are somewhat dependent on their existing funders, and can experience difficulties creating new funding relationships, while staying true to the original goals and services. (Gronbjerg 1993, 15.)

4.3.1 Threat of new entry

According to the answers given by Irti Huumeista Ry to the questionnaire, the current permit system for getting the required permission to collect money in Finland is very difficult for them. On average, it takes Irti Huumeista Ry 6 to 8 months to receive permission from authorities to collect money. This affects its operations, because it forces the organization to somehow predict future received donations, so that they can provide accurate information for the application. This involves studying the economic environment and previous yearly donations to conclude an accurate number. This is very difficult for the organization, as fluctuations in donations can cause inaccurate predictions for yearly budgets.

The current permit application system divided the opinion of the other respondents. To the question "How difficult or easy do you find the current permit application system used for money collection in Finland?", 23% responded that the process is very difficult, 46% re-

sponded that the process is somewhat difficult, 15% responded that the process is neither difficult nor easy, and 15% responded that the process is somewhat easy. No one responded that the process is easy.

The results to the questionnaire show that the amount of time it takes to receive the permit after filing the applications ranges quite evenly, with 45% responding 0-2 months, 27% responding 3-5 months, 27% responding 6-8 months, and 0% responding either 9-12 months or over a year (Figure 2). The time period it takes to receive the permit did not give a clear outlier, however respondents stated that this affects their operations by delaying the start of their fundraising. However, respondents also noted that money collection is not a large source of their income, therefore the permit system does not necessarily affects their operations.

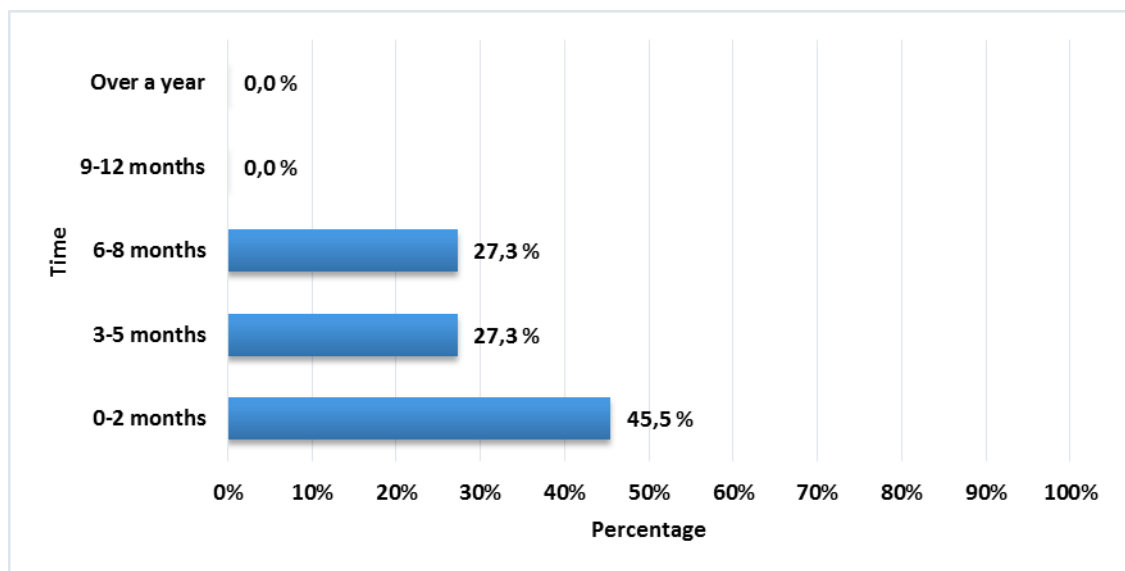


Figure 2. Average time it takes to receive money collection permit after filing application

Interestingly, 60% of respondents said that they had never heard of the proposed amendments to Money Collection Act 255/2006. Out of the 40% of respondents who are aware of the proposed amendments, 50 % somewhat agree and 33% completely agree that this will make money collection in Finland much easier. 33% of respondents feel that this will increase the amount of non-profit organizations in Finland, however only 16% feel that this will affect the amount of yearly funding their organizations receive. 50 % of respondents stated that they neither agree nor disagree that the law changes will affect their organizations funding, perhaps showing unpreparedness and lack of knowledge of the future conditions.

From these results we can conclude, that the changes to the money collection act will presumably decrease the barrier to entry into the non-profit sector and increase the amount of non-profit organizations, however currently non-profit organizations are not worried about the effect on their own funding or competitive position.

4.3.2 Bargaining power of buyers

As mentioned before, the non-profit organizations are considered to be the buyers, in order to adapt Michael Porter's theory. According to the results of the questionnaire, funding of Irti Huumeista Ry is not very differentiated, but rather quite concentrated. Irti Huumeista Ry only receives 0-20% of its funding from membership fees, sale of goods and services, private donations, and donations from other philanthropic organizations. The organization receives 21-40% of its total yearly funds from state or local government agencies. The rest of the funding comes from Finnish Slot Machine Organization (RAY), which makes it their biggest source of income.

Irti Huumeista Ry stated that estimating the yearly grants from local and state government agencies is somewhat easy. This is a positive result, since 21-40% of their funding comes from these sources. Estimating yearly funding from private corporations is somewhat difficult, and estimating funding from philanthropic organizations and private individuals is considered very difficult. However, since these sources provide only 0-20% of their yearly funding, the difficulty in predictions is not fatal. Irti Huumeista Ry also stated that creating a yearly budget based on predicted funding is somewhat difficult, as well as obtaining the required funds for yearly activities.

According to these results, it is fair to say that the bargaining power of Irti Huumeista Ry in terms of receiving funding is very low, and that the suppliers have the most power. Since receiving enough funding to even continue operations yearly is considered somewhat difficult, Irti Huumeista Ry must sustain and accept any kind of funding that they are receiving.

In order to help secure funding and therefore ease predictability, Irti Huumeista Ry continues to write grant proposals to existing and new donators. They have obtained their current yearly donators by writing grant proposals, as well as through networking relationships, so they continue to use these tactics to secure yearly funding. Furthermore, they also send email enquiries to potential donators in order to provide and receive more information about the potential new donations. However, Irti Huumeista has not used heavy

marketing tactics such as hosting fundraising events, or any other types of marketing campaigns.

From the results of the questionnaire sent to similar non-profits as the case company, securing funding is done through single or multi-year contracts or grant proposals. Contacting donators also happens often through grant proposals, as well as through networking and email enquiries. Interestingly, 0% of respondents said that they have used heavy marketing tactics in the past to contact donators, and do not ever use marketing tactics or fundraising events to reach potential new donators.

4.3.3 Bargaining power of suppliers

As mentioned before, suppliers are considered to be the donators to non-profit organizations, in order to adapt Michael Porter's theory. According to the results of the questionnaire, the bargaining power of suppliers is quite high, due to the fact that most non-profits do not seem to have highly differentiated sources of revenue. Of the respondents, 80,90 % say that only 0-20% of their funding comes from membership fees, sale of goods and services, private sector donations, donations from other philanthropic organizations, and grants from local and state agencies. Other sources of funding include the Finnish Slot Machine Association (RAY), sales of health services, and testaments.

The most diverse statistics were in correspondence to the amount of funding received from local and state agencies, with 42% of respondents saying 0-20%, 7,1% of respondents saying 21-40%, 0% responded 41-60%, 14,2% of respondents saying 61-80%, and 35,7 % of respondents saying 81-100% of their funding comes from local and state agencies.

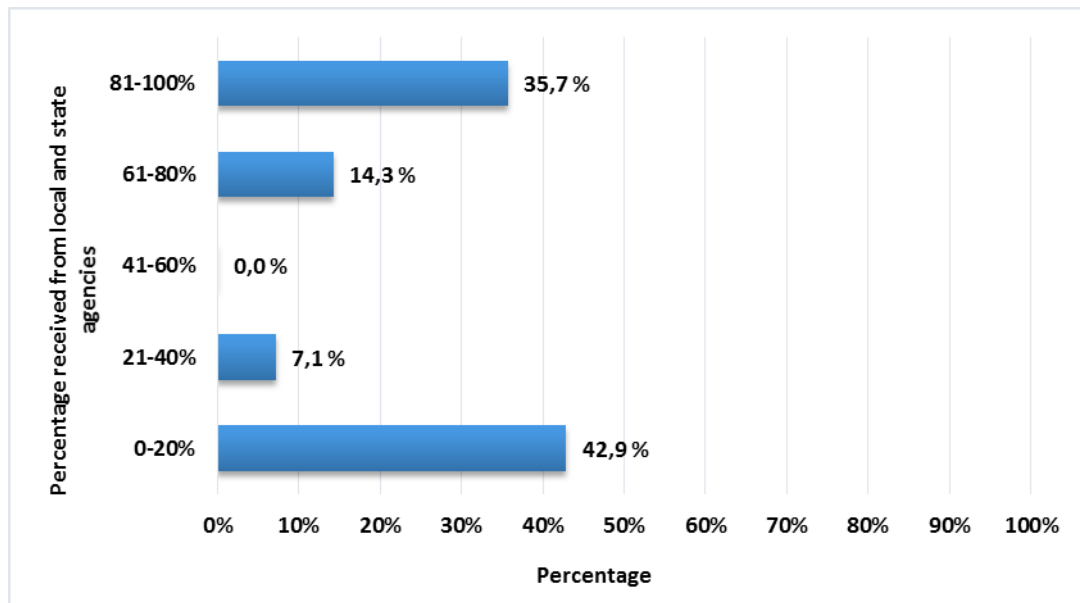


Figure 3. Percentage of funding received from local and state government agencies

35 % of respondents feel that estimating the grants from local and state government agencies is somewhat easy, however 35 % of respondents also felt that acquiring the required amount of funds yearly is very difficult, prompting them to turn to alternative sources. This further suggests the high bargaining power of donators, since non-profits do indeed have difficulty obtaining the required amounts of funds, and are willing to take whatever is on offer.

4.3.4 Threat of substitute products or services

According to the answers provided by Irti Huumeista Ry, the organization feels that they receive donations due to their specialized and specific services. Donators provide to Irti Huumeista Ry because they themselves have drug-users or drug-related problems in their families, or they have close family friends with similar issues. Donators also provide funds for Irti Huumeista Ry, because they are made well-aware of the services provided and who provides the services, suggesting transparency in the organizations functions.

According to Irti Huumeista Ry, the services they provide are differentiated, and other organizations do not provide similar services. These include peer groups and personal support for individuals and relatives of people suffering from drug abuse and the problems that may be associated with drug abuse. Their approach is unique and specialized. Irti Huumeista Ry also differentiates itself from other social service non-profit organizations in Finland by offering low membership fees, hiring specialized and professional staff, as well as maintaining a respected reputation.

From these results we can conclude that the threat of substitute products or services is not high for Irti Huumeista Ry. They have specialized their staff and the services they provide, making it difficult to replicate by other organizations. Furthermore, they have a long and reputable history, which can be seen as a unique selling proposition and competitive advantage.

4.3.5 Existing rivalry between organizations

The non-profit sector in Finland seems to have low rivalry between existing competitors, which we can see from low focus on marketing, low exit barriers, and a steadily growing industry. These are all conditions under which rivalry between existing competitors remains low.

According to Irti Huumeista Ry, the organization has interaction and co-operation with other similar organizations, mostly with social organizations. This suggests that the atmosphere among social service non-profit organizations is quite open and co-operative. Furthermore, 100% of respondents to the questionnaire sent to other non-profit organizations agreed that they have interaction and co-operation with similar organizations as themselves, further suggesting a co-operative and non-competitive environment for non-profit organizations in Finland.

According to the results to the questionnaire, organizations feel strongly that their services provided are differentiated, and aimed at a specific demographic. 85% of respondents said that they offer services or products that other similar organizations do not provide. Highly specialized services and lack of similar products further support low rivalry between competitors.

The methods with which non-profit organizations differentiate themselves is quite evenly distributed, with low membership fees being the least used method, and reputation being the most used method. Some organizations also mentioned that their history and age of the organization is a way to differentiate from other organizations.

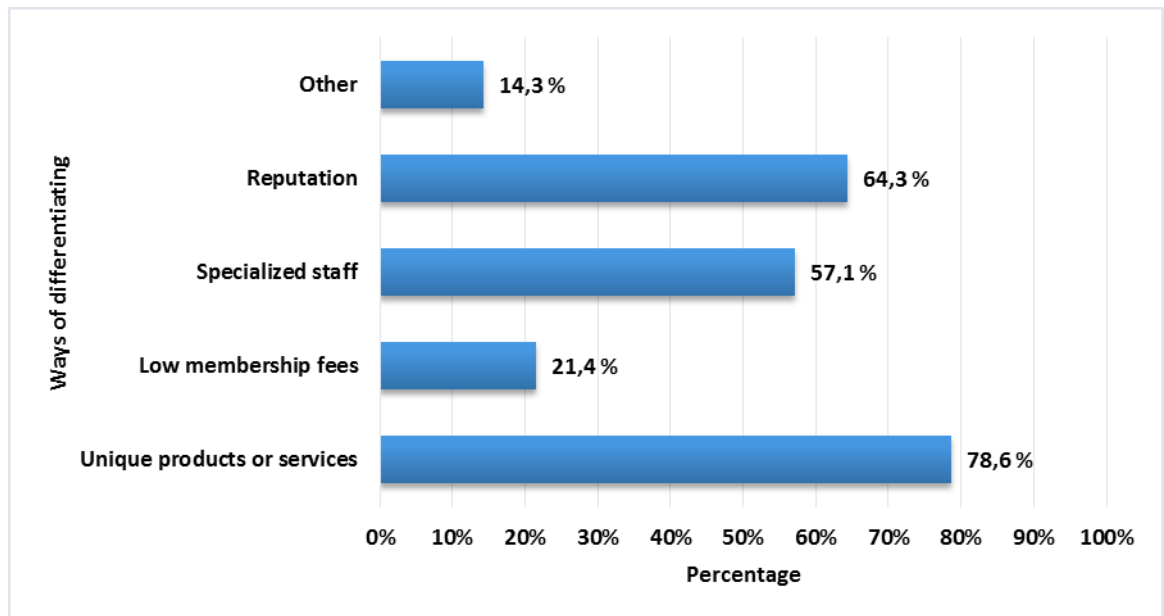


Figure 4. Ways of differentiating from competitors

We can conclude that in the non-profit sector in Finland, the rivalry between existing organizations for funding is not intense, because organizations feel that they are differentiated and have something to offer that other organizations don't. The organizations feel that donators donate to their organizations because of reputation or personal connection to the cause. Furthermore, there is a lot of co-operation between existing non-profit organizations, showing an open and helpful atmosphere, lowering internal rivalry.

5 Discussion

From the results of the desktop and field research, we are able to make valid conclusions which help the case company secure their future funding and maintain their competitive position. The conclusions include discussion of the current lack of focus on marketing, increasing differentiation of funding, using contracts in order to secure funding, as well as discussion of the proposed amendment to Money Collection Act 255/2006. The conclusions have been made taking into account the limitations of the research methods.

5.1 Overall competitive position of Irti Huumeista Ry

Compared to their direct competitors, the case company has clear success factors and competitive advantages, as well as opportunities and threats. The case company should implement a strategy, in which they continue to provide specialized services and staff, as well as diversifying their revenue streams.

According to the results, the non-profit sector in Finland has very low existing rivalry between organizations, due to low exit barriers, a growing industry, and a low focus on marketing and innovation efforts. This can be seen as both positive and negative, because it does not force intense actions to gain competitive advantage, however it also decreases focus on innovation and improving processes.

One main competitive advantage we can conclude from the results is the lack of information that the direct competitors have of the proposed amendments to Money Collection Act 255/2006. Irti Huumeista Ry has a competitive advantage, because they are able to prepare for these changes ahead of time, and make changes in their own processes in order to use the amendments as an opportunity.

A key success factor of Irti Huumeista Ry is their specialized staff and services. The results show that other non-profit organizations have also specialized their services, which can also be one reason for low intensity in rivalry between existing competitors. The case company should continue to improve these services, especially through specialized staff. A respected reputation also supports their competitive position, and the case company should strive to live up to this reputation.

A clear threat to the competitive position of Irti Huumeista Ry is their lack of diversified revenue streams, with a large percentage of their funding coming from the Finnish Slot

Machine Association. By diversifying revenue streams, Irti Huumeista Ry would be able to secure funding more efficiently, and therefore more accurately plan for the future.

5.2 Revenue diversification

Not only does the case company lack diversity in revenue streams, but the non-profit organizations in direct competition with the case company lack diversity in revenue streams as well. The results show that most of the non-profits who participated in the questionnaire as well as the case company receive only 0-20% of their funding from different sources such as governmental grants, private donations, commercial revenue, or other philanthropic organizations. The rest of their funding comes from a single source, which according to open answers in the questionnaire, is often the Finnish Slot Machine Association (RAY).

The case company has stated that predicting the amount of funding received from RAY is difficult, and can fluctuate on a yearly basis. By diversifying revenue streams, Irti Huumeista Ry would improve the predictability of yearly funds, and therefore create a more accurate and dependable yearly budget. By increasing income coming from membership fees or sales of goods and services, the organization would have a more stable source of income. Furthermore, this would improve the organizations competitive position, since direct competitors also have concentrated revenue streams.

As stated before, increasing sales of goods and services unfortunately undermines the nature of a non-profit organization, and reduces the organizations legitimacy. By becoming increasingly more like a traditional for-profit business, the organization risks losing donations from other philanthropic organizations. In the case of Irti Huumeista Ry, donations from philanthropic organizations are very small currently, so by turning to traditional business practices the gain may be greater than the loss.

5.3 Focus on marketing

The results show that similar sized non-profit organizations working in the social services sector do not spend money or time on marketing. Heavy marketing is not used for informing the public about services offered by these organizations, or for reaching new potential donators. Furthermore, marketing has not been used in the past for securing their current donations. Fundraising and money collection events are not used either.

This is most likely due to the low intensity in rivalry between existing competitors in the industry. However, focusing and implementing a marketing plan now could create a com-

petitive advantage for the case company in the future, if rivalry were to increase due to the changes in Money Collection Act 255/2006 and an increasing amount of non-profit organizations.

Marketing and fundraising events could allow non-profits to increase donations from private individuals and corporations, which is a source of income that accounts for less than 20% of social service non-profit funding. Irti Huumeista Ry could use volunteering efforts to create fundraising events in order to raise awareness of their services and need for funding. This would cost time from volunteers, however the gains could be substantial, since organizations competing with the case company are not using these efforts either.

5.4 Securing funding through contracts

Currently, the case company has not used neither single-year or multi-year contracts in order to secure funding. This could be due to the nature of the sources of funding. For instance, if the donators are not willing to oblige to a multi-year contract, then intense negotiations would be needed to convince them, again undermining the nature and legitimacy of the non-profit sector. However, considering using multi-year contracts in order to secure funding for at least a few years ahead could making creating budgets substantially easier and more accurate.

The results show that 38,4% of non-profits which responded to the questionnaire use multi-year contracts with their donators in order to secure funding. 30,7 % use single-year contracts. Incorporating contracts into the relationships between the case company and their donators would improve budgeting processes and allow the case company to plan ahead more efficiently.

5.5 Proposed amendments to Money Collection Act 255/2006

As stated in the results, 60% of respondents are unaware of the proposed changes to the current money collection act in Finland, and of the 40% of respondents who are aware of the changes, only 16% feel that this will affect their yearly funding. It is fair to speculate, that since many organizations receive substantial amounts of funding from the Finnish Slot Machine Association (RAY), the Finnish Slot Machine Association will continue to fund new non-profit organizations as well.

A suggestion for the case company would be to negotiate a multi-year contract with the Finnish Slot Machine Association if possible, in order to secure their funding. Granted, in order to make a proper conclusion on this topic, more information from the Finnish Slot

Machine Association is required. However, from the information that was acquired during the research, it is fair to say that in order for the case company to be prepared for the proposed amendments, they must secure funding with their largest donators, in order to continue to receive funding from them.

Preparing for the changes to Money Collection Act 255/2006 also requires allocating resources for internal auditing. The new amendments require non-profit organizations to report their yearly money collection to the proper authorities, which is a major change to the current processes.

6 Conclusion

In conclusion, it is fair to say that the competitive position of Irti Huumeista Ry is currently secure, due to low industry rivalry between existing competitors, competitive advantages of the case company, and knowledge of possible future threats. The non-profit sector in Finland has low rivalry between organizations, and the services provided are diversified and unique to each organization. This allows for low competition between organizations, and a philanthropic atmosphere true to the nature of the sector.

The case company's competitive advantages include specialized services and staff, as well as a good reputation. Currently, the case company, as well as many other non-profit organization, receive large portions of their yearly funding from the Finnish Slot Machine Association. In order for the case company to secure their funding and competitive position in the future, the organization must diversify their revenue streams.

Diversifying revenue streams will provide security for the organization, as well as allowing yearly budgets to be more accurate and dependable. Irti Huumeista Ry can further diversify their revenue streams by using multi-year contracts with their current donators, as well increasing membership fees and focusing in sales of goods and services.

Although low rivalry between existing competitors does not require intense marketing, the case company should consider using a marketing campaign or fundraising events in order to reach new donators, such as private individuals or other philanthropic organizations, which currently account for a very small percentage of yearly income.

Irti Huumeista Ry has a stable competitive position in relation to other non-profit organizations, and by diversifying revenues streams, implementing a marketing plan, and continuing to provide specialized services, they are able to keep this position as well as securing and increasing funding in the future.

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Attachments

Attachment 1. Invitation to answer the questionnaire

Hei,

Olen kansainvälisen liiketalouden opiskelija Haaga-helian ammattikorkeakoulussa, ja olen tekemässä opinnäytetyötä yleishyödyllisten organisaatioiden rahoitukseen liittyen. Opinnäytetyössä pyrin analysoimaan yleishyödyllisten organisaatioiden kilpailuolosuhteita suomessa rahoituksen suhteen, ja toiveenani olisi että ottaisitte osaa kyselyyn. Tärkeää olisi, että vastaatte kyselyyn mahdollisimman rehellisesti ja totuudenmukaisesti teidän organisaatiota mieltien. Vastausten avulla pyrin selvittämään kuinka yleishyödylliset organisaatiot voivat lisätä kilpailukykyä ja turvata riittävä rahoitus tulevaisuudessa.

Opinnäytetyö on toimeksianto yleishyödylliseltä organisaatiolta, ja kyselyn vastaamiseen menee noin 5-10 minuuttia. Vastaukset pysyvät täysin anonyymisinä. Jos tulee kysyttävää liittyen kyselyyn, minuun saa yhteyttä sähköpostitse osoitteesta neera.jokitalo@hotmail.com. Opinnäytetyön valmistuttua on työ luettavissa Theseus-järjestelmässä. Otathan sähköpostitse yhteyttä jos haluat linkin valmistuneeseen opinnäytetyöhön.

Kyselyn on englanniksi. Alla olevalla linkillä pääsette kyselyyn:

<https://www.webpolsurveys.com/S/06AC2300721204DD.par>

Kiitos avustanne!

Ystävällisin terveisin|

Neera Jokitalo

Attachment 2. Questionnaire

Competitive Environment Analysis

How many people do you employ?

How many volunteer workers do you have?

Competitive Environment Analysis

How difficult or easy do you find the current permit application system used for money collection in Finland?

- ☐ Very difficult
- ☐ Somewhat difficult
- ☐ Neither difficult nor easy
- ☐ Somewhat easy
- ☐ Easy

On average, how long does it take to receive your permit after filing the application?

- ☐ 0-2 months
- ☐ 3-5 months
- ☐ 6-8 months
- ☐ 9-12 months
- ☐ over a year

In what ways, if any, does the answer to the previous question affect your operations?

Are you familiar with the proposed amendments to Money Collection Act 255/2006? *

- ☐ No
- ☐ Yes

Competitive Environment Analysis

If the proposed amendments to Money Collection Act 255/2006 were to be put into affect by the next sitting parliament:

	Completely agree	Somewhat agree	Neither agree or disagree	Somewhat disagree	Completely disagree
The changes will make money collection for non-profits in Finland easier	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The changes will increase the amount of non-profit organizations in Finland	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The changes will affect the amount of yearly funding your organization will receive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The changes will improve the conditions of the non-profit sector in Finland	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Competitive Environment Analysis

Do you have any interaction or co-operation with similar organizations as yourself?

☐ No

☐ Yes

In your opinion, why do your donaters choose your particular organization to donate to?

Do you offer services or products that other similar organizations do not provide?

☐ No

☐ Yes

How do you differentiate from other similar non-profit organizations?

☐ Unique products or services

☐ Low membership fees

☐ Specialized staff

☐ Reputation

☐ Other, what?

Competitive Environment Analysis

What percentage of your yearly funding comes from membership fees?

- ☐ 0-20%
- ☐ 21-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ 81-100%

What percentage of your yearly funding comes from the sale of goods and services?

- ☐ 0-20%
- ☐ 21-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ 81-100%

What percentage of your yearly funding comes from private sector for-profit company donations?

- ☐ 0-20%
- ☐ 21-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ 81-100%

What percentage of your yearly funding comes from other philanthropic foundations?

- ☐ 0-20%
- ☐ 21-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ 81-100%

What percentage of your yearly funding comes from private donations?

- ☐ 0-20%
- ☐ 21-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ 81-100%

What percentage of your yearly funding comes from grants from local and state agencies?

- ☐ 0-20%
- ☐ 21-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ 81-100%

Do you have any other sources of funding?

☐ No

☐ Yes,

what?

Competitive Environment Analysis

Please evaluate the ease or difficulty of the following actions:

	Very easy	Somewhat easy	Neither easy or difficult	Somewhat difficult	Very difficult
Estimating yearly funding and grants from local local and state government agencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Estimating yearly funding from the private sector and for-profit corporations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Estimating yearly funding from other philanthropic organizations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Estimating yearly funding from private individual donations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creating a yearly budget	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Acquiring the required amount of funds yearly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Which of the following actions do you use to help secure future funding?

- ☐ Single-year contracts
- ☐ Multi-year contracts
- ☐ Grant proposals
- ☐ Other, what?

How did you originally contact your sources of funding?

- ☐ Heavy marketing
- ☐ Networking
- ☐ Grant proposals
- ☐ Other, what?

How do you contact potential new sources of funding?

- ☐ Through existing business relationships
- ☐ Through heavy marketing
- ☐ By email enquiries

- ☐ Through fundraising events
- ☐ By sending grant proposals
- ☐ Other, what?